

NSC BRIEFING

20 May 1953

THE SITUATION IN EGYPT

State Department
review completed

Two weeks ago Egyptian spokesmen announced that talks with the British over the Suez and defense problems had been suspended indefinitely. At the personal request of British ambassador Stevenson, General Nagib agreed for the time being not to break off the talks formally. Ten days ago Nagib also assured Secretary Dulles that he would keep the situation under control until the matter could be reviewed by the secretary in Washington. He presented a pessimistic picture, however, and once again outlined the Egyptian position as he underscored the gravity of the situation. Nagib also insisted that the proposed Middle East defense organization which was being urged on Egypt was unacceptable.

What does Egypt want and what is the actual situation there? Egypt wants Britain to agree to get out of the one and a half billion dollar Suez Canal base unconditionally. This was also the demand of the nationalistic Wafd party when it abrogated the Anglo-Egyptian treaty in October 1951. Popular sentiment on this point is so strong that, despite some moderate statements in private, Nagib and his fellow officers have never dared publicly to hint that they would settle for anything less.

Nagib probably gave the tip-off on the situation in Egypt when he told Secretary Dulles: "an agreement I could make

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with the United Kingdom now, I will not be able to make in a month or two." In other words, Egyptian popular opinion is rapidly hardening against the British.

25X1 [redacted] a resurgence of activity by the Wafd party, which has plugged Egyptian independence for the last 30 years. Despite the ban against political parties, the Wafd is still believed to have an organization that extends down to the village level. The Wafd is awaiting an opportunity to take over the moment Nagib falters on the issue of uncompromising nationalism.

Moreover, the present regime has promised to improve the lot of the common man, to stamp out corruption, and to requisition land from the wealthy for the benefit of the poor. Almost nothing has been done. Instead, low cotton prices have helped weaken seriously the Egyptian foreign exchange position, with adverse internal reactions. The Communists, whose party is banned and who have never been a direct threat in Egypt, are making overtures to the Wafd; the extreme rightists, such as the Moslem Brotherhood, are ready for direct action against the British. The rising count of incidents involving Egyptian and British troops in recent weeks is indicative of the new mood.

Britain maintains a firm position in the face of all this. Physically the base is secure against anything Egypt could do. Britain's current force there is over 70,000; the depots at the

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base are large and can be supplied and reinforced by air and sea indefinitely. Egypt's army of about 65,000 may at best be rated third class. Guerrilla activity, boycotts, and mass disturbances could seriously harass and hamper; they cannot change the basic picture.

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At the conference table Britain insists that in reference to the Suez and defense talks five points must be agreed on before action is taken on any single part of the problem. These are: 1) phased evacuation of the base; 2) provision for its joint maintenance; 3) provision for its air defense; 4) Egyptian acceptance of MEDO, and; 5) economic and military aid for Egypt from Britain -- and presumably also from the United States.

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The British government insists that maintenance of the Suez base is essential to Western defense in the Middle East. It relies on American endorsement of its general principles and is anxious to secure complete American diplomatic support of the British position in negotiations. The Foreign Office has stated that it is willing to resume the suspended talks if Cairo indicates a more flexible attitude.

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What can be expected under the current circumstances? It is unlikely that Nagib will accept anything less than public agreement to unconditional evacuation. If he did, his government's internal position would deteriorate sharply; he might, in fact, not be able to maintain himself. There is still the slim possibility that were London to agree to unconditional evacuation, Cairo, having exploited it publicly, might let the full implementation drag indefinitely. In other words, some British maintenance troops, particularly in mufti, might continue. Every passing day, however, makes Egyptian willingness to permit such a possibility less likely.

There is no reason to doubt, on the other hand, that without a compromise settlement along the lines London has set forth, Britain will remain in Egypt by force of arms. There is accordingly the grave possibility that as the Egyptian internal situation worsens in the coming weeks, the Nagib regime -- or any successor government -- will tacitly or overtly encourage guerrilla action against the British. Under such circumstances the situation could get completely out of hand, with antiforeign sentiment running amuck. British occupation of the delta would in turn arouse such violent Arab hatred that the West would no longer have any useful influence in the Arab world.

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CENTRAL INTELLIGENCE AGENCY
OFFICE OF CURRENT INTELLIGENCE
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LI MI REPORTEDLY SEEKING TO RETURN TO BURMA

According to General Phao, Director General of the Thai police, General Li Mi has requested permission to return through Thailand to his Mong Hsat base in Burma. When asked for advice on this matter, Ambassador Stanton said that permission should be granted only if Li indicated a willingness to cooperate in the evacuation of his troops.

Meanwhile, Col. I Fu-de, the Chinese Nationalist representative on the mixed committee which will consider the problem of evacuation, also called upon the ambassador and said that he had been instructed to do everything possible to implement the UN resolution calling for the evacuation of Nationalist troops.



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Comment: Li's authority over his troops is such that his presence in Mong Hsat could contribute, more than any other factor, to a successful evacuation. There is much evidence, however, that with the support of Chiang Kai-shek, he would seek to prevent the mixed committee from achieving any substantial success.

The Nationalist representative on the committee may earnestly attempt to cooperate in arranging evacuation but it appears that he is being used only to mask the intentions of Li and Chiang not to permit the removal of Nationalist troops from Burma.

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